GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1852
ANSWERED ON:03.08.2000
TAX FREE OIL TO FOREIGN AVIATION COMPANIES
RAGHUVANSH PRASAD SINGH

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Indian Oil Corporation, Bharat Petroleum and Hindustan Petroleum have paid huge amount to various States in lieu of filling of fuel tax free in aircraft of foreign aviation companies as reported in the Rashtriya Sahara dated June 20, 2000;

(b) if so, the amount paid by each oil company, State-wise;

(c) whether the oil companies want to make up this loss from the oil pool; and

(d) if so, the reasons for not recovering the amount from foreign aviation companies as sales tax or in any other manner?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) & (b) The oil marketing companies have paid Rs. 505 crores (approximately) to various States towards sales tax on supplies of Aviation Turbine Fuel (ATF). The State-wise detailed are given in Annexure.

(c) & (d) :- Air Services Agreement signed by the Government with other countries (93 in all) have an article which provides, on reciprocal basis, either

(i) grant of outright exemption from payment of customs duties, local duties etc. on Aviation Turbine Fuel and other items uplifted by aircraft of one Contracting State from the territory of the other Contracting country.

Or

(ii) grant of most favoured nation treatment in these matter to the airlines of the Contracting Countries.

Sales tax is a State subject. There is no provision to reimburse under-recoveries of sales tax from the oil pool account.

ANNEXURE

Sl.No.	State	Amount
1.	Delhi	Rs.164.25 Crore
2.	West Bengal	Rs.14.48 Crore
3.	Maharashtra	Rs.256.88 Crore
4.	Tamil Nadu	Rs.55.56 Crore
5.	Andhra Pradesh	Rs.0.91 Crore
6.	Karnataka	Rs.6.47 Crore
7.	Kerala	Rs.6.66 Crore
Total	+	Rs.505.20 Crore

+ In the State of Rajasthan, an amount of Rs.0.01 lakhs has been paid by oil marketing company.